June 17, 2015

Tips to Submitting a Complete Application

Here are some useful tips when submitting a loan application.

- Please send appraisals with color pictures.
- Upload the appraisal as a separate document and not as a batch document. A LISTSERV message was released on April 17th with more details www.rd.usda.gov/files/IA_hp_Technical_Bulletin_0615.pdf.
- Please use HB 3555, 15-A (Stacking Order Checklist) to ensure you have a complete submission www.rd.usda.gov/files/IA_hp_Att_15A_Origination_Stacking_Checklist_FILLABLE.pdf.
- As we have moved to the electronic submission of applications you may add notes, alternate contacts, or other relevant information on the 15-A. To do this click on Open Tools in the upper right corner of the PDF, select Add Text, move the cursor to the bottom of the page and create a text box, type any notes into the box, complete and save the checklist and upload into GUS.
- The batch upload uses an optical scanner to read the documents. If the scanner does not recognize a document, it will break it up into multiple files calling them "Other Miscellaneous." If possible, please upload separately files such as these: 3555-21 (Request for Guarantee), GUS Final Findings (Underwriting), Flood (Environmental), Appraisal (Appraisal), etc.
- When preparing to submit your final loan in GUS please only click "final" once. Multiple clicks may be causing a duplication of loan submissions.

Important Credit-Related Information

Please follow the guidance below for validating the applicant's credit reputation. This is found in Handbook 3555, section 10.5 www.rd.usda.gov/files/3555-1chapter10.pdf.

- To establish a credit reputation and validate the credit score, at least one applicant whose income or assets are used for qualification must have at least three historical tradelines. The tradeline payment references must have existed for at least 12 months. Any account that is open and active with repayment underway or any account that has been open, but may now be closed, must have existed for at least 12 months to be considered.
- If not on the credit report, establish a minimum payment history through use of a non-traditional report as explained in Paragraph 10.6 www.rd.usda.gov/files/3555-1chapter10.pdf.
- Nontraditional credit may not be used to enhance poor payment records or low credit scores. Loans underwritten with the assistance of USDA Rural Development's automated underwriting system that receive an "Accept" recommendation are also subject to the credit score validation.
- A tradeline in a documented dispute with 12 months of history is considered an eligible tradeline.
- The inability to validate credit scores used by GUS requires lenders to downgrade an "Accept" underwriting recommendation to a "Refer" and establish minimum payment history through use of a non-traditional report.

- Please make sure that the Policies and Procedures Manuals and the Quality Control Plans have been updated with current information regarding new program guidelines found in Handbook 3555 www.rd.usda.gov/files/3555-1chapter10.pdf.

Plenty of Funding Available for USDA Guaranteed and Direct Home Loans

USDA Rural Development's guaranteed and direct home loan programs offer competitive interest rates, fixed terms and require no down payment to help eligible families living in rural communities and areas purchase new or existing homes. Loans, and some grants, are also available to help families make needed repairs to their homes.

In most cases a family of four with an adjusted annual income of up to $74,050 may qualify for our guaranteed home loan program. If that same family of four's adjusted annual income is less than $47,850 they may also qualify for a direct loan. These income limits increase in communities located near metro areas.

Please contact LindaKay Rhoades, USDA Rural Development Rural Housing Specialist in Iowa, at (515) 284-4723 or Linda.Rhoades@ia.usda.gov or Rd-grhia@ia.usda.gov with any questions.